

A safe bet

Money Today

November 29, 2008

Money Today-Plexus Management new fund evaluation Benchmark S&P CNX 500 Fund

FUND FACTS

Offer open: Till 15 December

Scheme type: Open-ended exchange traded fund

Minimum investment: Rs 10,000; unit price: Rs 10

Loads: Entry load: Nil; Exit load: 1.5% (within 1 year); 1% (1-2 years); 0.5% (2-3 years)

Options: Growth and dividend (payout & reinvestment)

Investor grievances: Benchmark Mutual Fund; Tel: 022-66512727; Fax: 022-22003412;

E-mail: webmaster@benchmarkfunds.com

FUND STATS

Objective: To effect capital appreciation by investing in securities which constitute the S&P CNX 500 index, in the same proportion as in the index.

Benchmark: S&P CNX 500

Fund manager: Vishal Jain

Asset allocation: **90-100%** securities and derivatives on securities
constituting S&P CNX 500
0-10% DEBT & CASH

Comparable existing schemes: Among open-ended ETF funds, it's the only one to follow S&P CNX 500.

FUND PROGNOSIS

Idea distiller: A fund that will actively mirror an index that covers nearly 92% of equity transactions and will incorporate all capitalisations and styles of investing. This will help it make money at most times.

Fund house report: Benchmark mutual fund manages assets worth Rs 3,413 crore across seven schemes (as on 31 October).

RETURNS PROFILE: 3/5

RISK PROFILE: 3/5

Fund manager's report: Performance of fund manager

RETURNS PROFILE: 2/5

RISK PROFILE: 3/5

Scheme DNA: Four fundamentals of the fund scheme

Unique idea: Low

Risk: High

Return possibility: High

Operability/complexity: High

MARKET COVERAGE

S&P CNX 500: 92.61%

S&P CNX Nifty: 63.32%

BSE Sensex: 48.14%

INVESTOR TAKEAWAYS

Who should apply: All investors, as there is a probability that it will make money. It is a passive fund with a large basket and the fund house specialises in tracking indices. The current low of the markets is the icing on the cake.

Comments: This type of fund is investment-friendly for retail investors. The only damper is the high exit loads, especially in the first two years.